

## July 20, 2020 Special City Council Meeting

MINOT CITY COUNCIL – SPECIAL MEETING – JULY 20, 2020 AT 10:00 A.M.

### ROLL CALL

#### Members Present:

Evans, Jantzer, Olson, Pitner, Podrygula, Ross, Sipma

#### Members Absent:

None

### PLEDGE OF ALLEGIANCE

Mayor Sipma presiding and led the City Council in the Pledge of Allegiance.

### WDEA DAKOTA ACCESS PIPELINE AMICUS BRIEF

Alderman Ross moved the City Council approve the request from Geoff Simon, Executive Director of the WDEA, to include the City of Minot as a supporter to the amicus brief being submitted in response to the shutdown of the Dakota Access Pipeline. Motion seconded by Alderman Jantzer.

At the request of Mayor Sipma, Mr. Simon provided additional information to the Council. He said, a draft of the amicus brief was emailed to the Council the previous night. He reiterated the impacts of increasing production costs if using rail to transport oil. He said, the WDEA wants to ensure the court fully appreciates the devastation it would cause, on top of the economic losses experienced due to the drop in oil prices and the demand destruction caused by the pandemic. He clarified, they are not taking sides in the argument made by the Standing Rock Tribes that the environmental review was inadequate. They are just asking the court not to shut down the pipeline while additional environmental reviews are conducted because there would be irreparable damage to the economy. He then stated, there would be no future obligation on behalf of the City of Minot, they are just putting their concerns on record. He mentioned the financial contribution that was discussed previously but said that MADC has offered to make the contribution if requested.

The Mayor then asked for comments from Shane Goettle, the City's Special Counsel on Legislative Lobbying. Mr. Goettle said he is concerned about the appearance of Minot compared to other Hub Cities like Williston and Dickinson who have already sign off on the amicus brief. How the City of Minot reacts to this could affect Minot's standing within the Association and could impact how we work with Hub Cities. He reminded the Council, they have come a long way in since Minot was designated a Hub City and have worked to build a more objective formula-based approach for Hub City funding. His concern would be in what it looks like to the association and how it transfers to the legislators in those communities. Minot receives funding from gross production tax, as well as the state's share of flood control funding from the Natural Resources Trust Fund through the excise tax. If there is a reduced amount of oil being produced in North Dakota, then there is a subsequent reduction for available funding. It also affects the case for the Legacy Fund and long term financing for the local share of flood protection.

The Mayor then opened up for comments from the public.

Tom Rafferty, representing the Minot Area Chamber of Commerce, spoke in favor of supporting the amicus brief. He pointed out the Minot logo which exemplifies, Provide, Power, Protect, through agriculture, energy and the Air Force. Businesses are concerned especially during the COVID pandemic and they would like to get the economy back to normal as soon as possible. This shut down would devastate Minot even worse than it already is.

Brekka Kramer, representing the Minot Area Development Corporation, also spoke in support of signing on to the amicus brief. She said, the mission of the MADC is to facilitate business attraction, expansion, retention, and advocacy to diversify and strengthen the Minot area. One of their positions is that we are the gateway to the Bakken and oil and gas is critical to our area. She said they are there to strongly urge the Council be a part of the amicus brief. They provided resolutions of support from the Board of Directors of the MADC and Chamber of Commerce. She stated, as Mr. Simon had mentioned, the MADC would contribute financially to this cause in the amount of \$2,500 if requested. She then said, there is no point in shutting down the pipeline since it is extremely unlikely that an environmental statement will compel owners to change any aspect of pipeline operations.

Tawny Trottier Cale, representing the ND Human Rights Coalition, spoke in opposition to the request. She thanked the Mayor for calling the meeting and holding an open discussion as she was unable to find similar opportunities afforded to the

## July 20, 2020 Special City Council Meeting

citizens of Watford City, Williston or Dickinson regarding this issue. She referenced the Alderman's previous comments stating they are being pressured into supporting the brief. She said, Minot is currently in a neutral position but agreeing to add Minot's name decides which side of a high-profile, globally recognized, social issue they are taking. She questioned if the citizens of Minot are ready for the social and economic ramifications of that stance. She quoted the WDEA's recent newsletter that included a statement by Lynn Helms, the Director of the Department of Mineral Resources, which said it is too optimistic to believe crude oil demand would return to pre-virus levels by this time next year and the pandemic would likely have a permanent impact on demand. She stated, this is a for-profit company expecting local organizations and municipalities to pay a portion of their legal fees to argue against a pipeline that has been determined by the federal government as unlawful. She asked the Council to uphold the Mayor's previous statement that Minot handles itself differently than most places around the country, and to deny the request.

Chris Brown, a Minot resident, spoke in opposition of the Council signing onto the amicus brief. He said, the economic impact relating to the Dakota Access Pipeline is not a neutral term. Agreeing to the economic impact shows tacit support for all aspects of the pipeline's contested development and current operation. When the Council and WDEA speaks about community, the voices and lives of Indigenous People are absent from the conversation. People throughout North Dakota fought to oppose the Dakota Access Pipeline's development and their concerns were ignored. He said Minot should stand on the side of Indigenous communities and not on the side of oil and gas corporations. The U.S. District Judge has ordered a full environmental review by the USACE citing "serious gaps in crucial parts of the Corps analysis." He shared statistics about leaks and historical data from the Pipeline and Hazardous Material Safety Administration.

Annette Mennum, a Minot resident and enrolled member of the Turtle Mountain Band of Chippewa, spoke against the motion. She said, it was not long ago, the reservation signed a no fracking resolution because they knew that one day the aquifers would be more valuable than oil. They make decisions in the best interest of future generations. She told the Council, if this is not their fight, they should be prepared for which side they choose.

Alderman Olson acknowledged the emails they received over the weekend but said it seemed like the Council is perceived to have a lot more authority than they truly do. They are not the judge and jury and are just being asked if oil income impacts our community, which she said, it does. She stated, they fought hard to achieve the status of a Hub City because they believe there is an impact on Minot. Losing that income would have a negative impact on the citizens of Minot and would likely have an impact on taxes. She clarified, she is not taking sides, but is saying this will have a negative impact on the City of Minot so she encouraged the other Council members to vote in favor of the motion.

Alderman Ross asked about the income received through Hub Cities, to which the Finance Director stated, Minot received \$4.8 million in 2019, year-to-date for 2020 Minot has received about \$2 million and they are forecasting about \$4 million by the end of the year. He stated, more importantly, the money the City receives from the State Water Commission supports the flood control project. In the 2019-2021 biennium the funding is about \$186 million. It comes from the Natural Resources Trust Fund, funded by oil tax revenue.

Alderwoman Evans shared excerpts from some of the emails received over the weekend.

Alderman Podrygula said, they were asked for information and need to focus on the economic impact the shutdown would have on Minot. He said, after reading the briefs, he noticed that the State spoke on behalf of the State but no one had mentioned the interests of local communities and counties. The needs of some local governments have not been adequately recognized and it should be brought to the attention of the court. There is no acknowledgement of other potential harms including environmental and the rights of local Tribal governments. He does not see this as a global endorsement or opposition but rather a very technical legal issue in which they are providing information. He shared his disappointment that the issue hasn't been settled sooner. He said he has strong feelings on the issue but has to put the needs of the community before his own. He then pointed out the difference between signing on as a party to the brief and providing information and they are being asked to provide information. He shared that he was impressed by Ms. Cale, who spoke her Native language to the Council. Because of the changes in what they are being asked to do he is willing to vote in favor of accepting the brief.

Alderman Pitner agreed it is a tough decision but he listed the economic impact oil revenue has had on numerous City projects. Those projects total about 26.5 miles of property tax the citizens of Minot didn't have to pay. There is clearly a negative economic impact to Minot if it is shutdown.

Mayor Sipma said, they have consistently supported their partners and Minot is a member of the Western Dakota Energy Association as well as other organizations such as MADC. He then thanked MADC and their Board for stepping forward and looking at the economic development component. He said, it is clear Minot is a Hub City judging by the growth in the community when oil took off. He said they also support other partners, including Minot Air Force Base, when they spoke on

## July 20, 2020 Special City Council Meeting

their behalf during the legislative session. He said he supports the motion because it has a significant impact on the safety of the community through flood control.

Alderman Ross agreed, as members of the WDEA they believe in their mission. They belong to the Association because there is strength in numbers and this is an opportunity for Minot to stand with their partners. By voting against this would send a message that the City is not standing with them and sends a message to legislators that could be detrimental for years. They are providing information to the court to make an intelligent reasonable decision.

Whereupon a vote was taken on the above motion by Alderman Ross, seconded by Alderman Jantzer and carried by the following roll call vote: ayes: Evans, Jantzer, Olson, Pitner, Podrygula, Ross, Sipma; nays: none.

### **ADJOURNMENT**

There being no further business, Alderman Pitner moved the City Council meeting be adjourned. Motion seconded by Alderman Ross and carried unanimously. Meeting adjourned at 10:46 pm.

ATTEST: \_\_\_\_\_  
Kelly Matalka, City Clerk

APPROVED: \_\_\_\_\_  
Shaun Sipma, Mayor